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METALLIC GOLDFIELD INC.

040231

May 20, 2004

Dear Friends, Concerned Citizens and Land Owners,

Thank you for your response to my March 17, 2004 request for you to send comments to the BLM regarding the proposed rail line to the Yucca Mountain Nuclear Waste Repository. The Department of Energy ("DOE") is currently conducting their scoping process for the Environmental Impact Statement ("EIS"). Your comments must be received by the DOE by June 1, 2004 to be considered. It is important to submit your comments by the deadline in order to have standing in the process.

As I had described in my previous letter, the Department of Energy (DOE) filed an application to withdraw 308,600 acres of public land within the State of Nevada from settlement, sale, location or entry under the general land laws including the mining laws and mineral leasing laws, (a 1 mile wide corridor), for a period of 20 years to evaluate the land for suitability to construct the Yucca Mountain rail line to the proposed Yucca Mountain Nuclear Waste Repository. The BLM published the notice of the DOE application for withdrawal in the federal register on Dec. 29, 2003, which segregates the land from surface entry and mining for up to two years while preliminary studies, including the EIS, can be made to support a final decision on the application. On April 8, 2004 the DOE published their Notice of Intent to conduct an EIS on the proposed rail line.

Metallic Goldfield Inc., (MVG) and its predecessor, have been active in the Goldfield district for the past eight years and is currently attempting to develop mineral deposits which will result in a significant positive economic impact on the local community and create many high paying industrial jobs. One of the proposed rail routes bisects the Goldfield Project and if chosen, could have a significant impact on future exploration and development of known mineralized areas which results in an adverse economic impact on the local communities of Goldfield and Tonopah; Esmeralda and Nye Counties; the State of Nevada; and MVG.

AFTER DISCUSSING THE ISSUES AND POTENTIAL IMPACTS OF THE PROPOSED ROUTE WITH THE LOCAL COMMUNITIES, IT WAS DECIDED TO MUTUALLY SUPPORT AN ALTERNATE ALIGNMENT WHICH LIES WEST OF GOLDFIELD THAT IS NOT WITHIN THE HISTORIC MINING DISTRICT.

Comments on this action must be received by the DOE by June 1, 2004. Attached is a form letter which may be duplicated, signed and faxed or sent by mail. Feel free to enhance, revise or put in your own words, but please comment by the deadline.

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Ms. Robin Sweeney
EIS Document Manager
Office of National Transportation
Office of Civilian Radioactive Waste Management
U.S. Department of Energy
1551 Hillshire Drive, M/S 011
Las Vegas, Nevada 89134
Fax No. 1-800-967-0739

Re: Adverse Impacts of the Proposed Yucca Mountain Nuclear Waste Repository
Rail Line East of Goldfield, Nevada.

Dear Ms. Sweeney,

The proposed Yucca Mountain rail route east of Goldfield, Nevada and west of the Nellis Air Force Range bisects the historic high grade Goldfield Mining District and is not the best alternative for a north/south rail line in the area. It should be eliminated from further consideration for the following reasons:

- The Goldfield District is an historic high grade gold district with past production of more than 4 million ounces of gold. Districts with histories similar to the Goldfield District have been highly productive during modern times utilizing modern exploration, mining and processing techniques. There have been numerous publications and articles written on this significant and well known district.
- The route bisects areas of known alteration and mineralization with past precious metal production.
- The route interferes with plans to continue exploration and advancement of the project in that area and affects over 5,600 acres of patented and unpatented land that have been located, claimed and maintained by a private party.
- The adverse long term economic impact on local communities of Goldfield (Esmeralda County seat) and Tonopah (Nye County seat) may be immeasurable if the rail line is constructed as proposed. It is the future exploration, development and mining of these mineralized lands which create jobs and business development upon which the rural communities rely. Each mine consistent with the size and nature of the deposit potential could employ up to 300 people. Jobs in the mining industry are exactly the kind of highly paid manufacturing jobs this country needs to retain, which has a positive economic impact throughout the community by the creation of direct and indirect support jobs. Once the rail line is completed the shorter term positive economic impact of its construction will end, particularly if the line is not available for common use.
- The state of Nevada would lose direct revenue if potential deposits are not developed and the State is not paid the Net Proceeds of Mine Tax as well as the Sales/Use Tax. This in turn would again affect Esmeralda and Nye Counties who would benefit by payment of these taxes through the proceeds sharing to the counties.
- There are other identified alternatives available that will result in less adverse impact to all parties.
- Any route within the Nellis Air Force Range should be first considered since a) it has been previously withdrawn from entry under the public land and mining laws b) its purpose is consistent with the intended security for a national nuclear repository and c) it will have the least adverse impact on the general public.

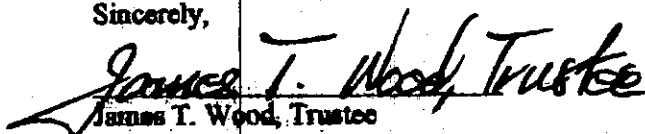
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Ms. Robin Sweeney
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An alternate route should be selected which is located west of state highway 95 A and the town of Goldfield, that is not within the historic mining district. The alternate route west of Goldfield minimizes the adverse impact on property rights and the potential economic development of the communities of Goldfield and Tonopah, Nevada. If a rail road is built, it must be available for commercial use to benefit the local communities. Any action by the Bureau of Land Management or the Department of Energy must assure the preservation of existing rights including those under the public land laws and mining laws.

Sincerely,


James T. Wood, Trustee
The Josephine Welch Wood Trust*

Date: 25 May 2004

*Note:

The Josephine Welch Wood Trust is the owner of two patented mining claims in the Goldfield Mining District.

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JAMES T. WOOD
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DATE: 25 May 2004

INFORMATION PAGEPLEASE DELIVER THIS PAGE AND THE FOLLOWING 2 PAGE(S):

TO: Mrs. Robin Sweeny, EIS Document Manager

FIRM: OFFICE OF NATIONAL TRANSPORTATION, Office of Radioactive Waste
Management, U.S. Department of Energy

FAX NUMBER: 800-967-0739

FROM: J. T. Wood

**Adverse Impacts of the Proposed Yucca Mountain Nuclear Waste
Repository Rail Line East of Goldfield, Nevada**

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